

CITY OF SAN JOSÉ, CALIFORNIA  
 Department of Planning, Building and Code Enforcement  
 801 North First Street, Room 400  
 San José, California 95110-1795

Hearing Date  
 H.L.C. 10/1/03

Agenda Number  
 Item 3.b.

File Number  
 MA02-003

Application Type  
 Historic Property Contract

Council District  
 6

SNI

Planning Area  
 Central

Assessor's Parcel Number(s)  
 259-40-094

## STAFF REPORT

### PROJECT DESCRIPTION

Completed by: Sally Notthoff Zarnowitz

Location: Northwest corner of South Market and Post Streets

Gross Acreage: 0.33

Net Acreage: 0.33

Net Density: n/a

Existing Zoning: CG Commercial General

Existing Use: Office

Proposed Zoning: No change

Proposed Use: No change

### GENERAL PLAN

Completed by: SNZ

Land Use/Transportation Diagram Designation: CORE

Project Conformance:

☒ Yes ☐ No

☐ See Analysis and Recommendations

### SURROUNDING LAND USES AND ZONING

Completed by: SNZ

North: Commercial

CG Commercial

East: Commercial

CG Commercial

South: Commercial

CG Commercial

West: Commercial

CG Commercial

### ENVIRONMENTAL STATUS

Completed by: SNZ

☐ Environmental Impact Report found complete

☒ Exempt

☐ Negative Declaration circulated on

☐ Environmental Review Incomplete

☐ Negative Declaration adopted on

### FILE HISTORY

Completed by: SNZ

Annexation Title:

Date: 3/27/1850

### PLANNING DEPARTMENT RECOMMENDATIONS AND ACTION

☐ Approval

Date \_\_\_\_\_

Approved by: \_\_\_\_\_

☒ Approval with Conditions

☐ Denial

☐ Uphold Director's Decision

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APPLICANTS/OWNERS

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Florin I LTD  
William B. Mitchell, G.P.  
P.O. Box 1765  
Pebble Beach CA 93953

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PUBLIC AGENCY COMMENTS RECEIVED

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Completed by: SNZ

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Department of Public Works

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None

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Other Departments and Agencies

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See attached Department of Parks and Recreation Form

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GENERAL CORRESPONDENCE

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None

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ANALYSIS AND RECOMMENDATIONS

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**BACKGROUND**

The applicant, Florin I LTD is requesting a Historic Property Contract to allow property tax relief to rehabilitate and maintain the Historic Landmark, Hotel Metropole, HL88-46, located on the northwest corner of South Market and Post Streets. The Historic Landmarks Commission recommended approval of this contract in July of 2002. The request is coming before the Commission now because the applicant was not able to sign the contract within the maximum sixty-day period required to set the City Council hearing for approval. The contract has now been signed and scheduled for City Council hearing on October 28, 2003.

The site is zoned CG Commercial General and is designated Core Area on the adopted San Jose 2020 Land Use and Transportation Diagram. The subject site is surrounded by commercial development. The Hotel Metropole and site were designated as a City Landmark (HL88-46) in 1988. The Hotel Metropole, originally known as the Alcantara Building, was designed by William Binder and built in 1903. It is one of the earliest surviving examples of Binder's work, and remains the last of the brick buildings that had historically lined busy Market Street. The building has Romanesque architectural elements, including an arcaded corbel table at the cornice. A high parapet was once located above the cornice. The three ground-floor retail spaces have been remodeled. Even with these exceptions, the structure retains a high level of historic/architectural integrity. The building's name was changed to the Hotel Metropole in 1950, after its first and longest upstairs tenant.

**ENVIRONMENTAL REVIEW**

Under the provisions of Section 15331 of the State Guidelines for Implementation of the California Environmental Quality Act (CEQA), this project is found to be exempt from environmental review in that the project is limited to the rehabilitation of a historical resource in a manner consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Buildings (1995), Weeks and Grimmer.

## **GENERAL PLAN CONFORMANCE**

The proposed Contract conforms to the San Jose 2020 General Plan Land Use/Transportation Diagram designation of Office, in that 1) the primary allowed uses are business and professional offices and 2) the proposal encourages the continuation and appropriate expansion of Federal and State programs which provide tax and other incentives for the rehabilitation of historically or architecturally significant structures.

## **ANALYSIS**

### **1. Required Provisions of Historic Property Contracts**

Municipal Code Chapter 13.48 requires provisions of Historic Property Contracts as follows

- A. A description of the Landmark Property subject to the Contract;
- B. A provision that the term of the Contract is a minimum period of ten years;
- C. Specific conditions requiring preservation of the Landmark Property and, where appropriate, restoration and rehabilitation of the Landmark Property to conform to the requirements of the City, and the rules and regulations of the Office of Historic Preservation of the State of California Department of Parks and Recreation;
- D. Provision for the periodic examination of the interior and exterior of the Landmark Property by the City of San Jose, Santa Clara County Assessor, and the State Board of Equalization as may be necessary to determine the owner's compliance with the Contract.
- E. A requirement that the property owner annually expend an amount equal to a minimum of 10% of the tax savings attributed to the Contract to the preservation and maintenance of the Landmark Property; and
- F. A provision that the Contract is binding upon and shall inure to the benefit of, all successors in interest of the owners; and that a successor in interest shall have the same rights and obligations under the Contract as the original owners who entered into the Contract.

In Addition to the Municipal Code provisions above State legislation requires the City Clerk to record a Historic Property Contract with the County Recorder by December 31 of any calendar year in order to be effective during the following calendar year.

### **2. Required Findings of Historic Property Contracts**

In accordance with Municipal Code Chapter 13.48, the City Council may approve a Historic Property Contract only if the following findings are made:

- A. The proposed Contract is consistent with the General Plan;
- B. The proposed Contract would provide greater protection for the Landmark Property than is otherwise provided by the provisions of Municipal Code Chapter 13.48; and
- C. The proposed Contract complies with the required provisions of Historic Property Contracts listed above.

## RECOMMENDATION

Planning staff recommends that the Historic Landmarks Commission recommend the City Council make the following findings:

- A. The proposed Contract is consistent with the General Plan Land Use designation of Office because (1) the proposed office use is consistent with the Land Use/Transportation Diagram Designation of Office, and (2) the proposal encourages the continuation and appropriate expansion of Federal and State programs which provide tax and other incentives for the rehabilitation of historically or architecturally significant structures.
- B. The proposed Contract provides greater protection for the Landmark Property than is otherwise provided by the provisions of Municipal Code Chapter 13.48 because the owner, in partnership with the City, may use property tax relief to rehabilitate and maintain the property in accordance with the preservation plan, Exhibit "C".
- C. The proposed Contract complies with the required provisions of Historic Property Contracts listed above.

### Attachments

- Contract
- Dept. of Parks and Recreation Form
- Photo
- Site Plan